

international bodies composed of countries with common interests (NATO, Warsaw Pact Organization, OECD and many others).

Nevertheless, international organizations, more or less world-wide in composition or representation, will continue particularly under the United Nations ægis. The role of those international organizations should gain more substance as there is a greater multilateralization of the policy-formulating process in such fields as communications, outer space, the seabed, anti-pollution, arms control, aid co-ordination, and rationalization of agricultural production. In some fields this need will require new institutional machinery, whereas in others existing institutions can satisfy the requirements, though they will regularly require strengthening or reorientation.

Membership in international organizations is not an end in itself and Canada's effort at all times will be directed to ensuring that those organizations continue to serve a useful purpose to the full extent of their capacity to do so. The trend toward regionalism, on the other hand, poses problems for Canada because its geographical region is dominated by the United States; and because excessive regionalism in other geographical areas complicates Canada's effort to establish effective counterweights to the United States. Nevertheless, the Government sees no alternative to finding such countervailing influences, and this will be reflected in the new policy emphasis on geographical diversification of Canada's interests—more attention to the Pacific and to Latin America, for example—while taking fully into account new multilateral arrangements in Europe.

Challenges Close to Home

If there are no unpleasant political and military surprises on a grand scale, it may not be unrealistic to assume that for the next decade or so the real external challenges to essential Canadian interests could be:

- trade protectionism in the policies of foreign governments or regional groupings which could impair the multilateral trade and payments system developed since the Second World War;
- other developments abroad, including excessive inflation or deflation seriously affecting Canada's economy;
- a sharpening of ideological conflict with a further upsetting influence on Western value systems (the effect of the Vietnam war has been massive in this regard); and/or deteriorating conditions (poverty, race discrimination, archaic institutions) leading